

Message Text

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FM USMISSION EC BRUSSELS

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INFO ALL EC CAPITALS 11

AMEMBASSY BERN

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

C O N F I D E N T I A L EC BRUSSELS 8748

LIMDIS

E.O. 11652: GDS

TAGS: EC, ENRG, FR

SUBJECT: COMMISSION PROPOSAL FOR PETROLEUM PRODUCER/CONSUMER
DIALOGUE

1. SUMMARY. EC COMMISSION HAS CIRCULATED PAPER TO COMMUNITY MEMBER GOVERNMENTS SUGGESTING PREPARATIONS FOR BEGINNING OF DIALOGUE BETWEEN OIL PRODUCING AND CONSUMING COUNTRIES. COMMISSION PROPOSAL, MEANT TO COUNTER FRENCH REQUEST FOR EC SUPPORT FOR PRODUCER/CONSUMER MINISTERIAL MEETING, TO BE CONSIDERED BY EC NINE MINISTERS NOVEMBER 11 OR 12. SOAMES BELIEVES TIME IS RIPE TO RECAST GISCARD'S CALL FOR MINISTERIAL MEETING AND MOLD IT INTO PROPOSITION ACCEPTABLE TO COUNTRIES PARTICIPATING IN ECG. END SUMMARY.

2. EC COMMISSION VICE PRESIDENT SOAMES CALLED ME IN NOVEMBER 8 TO EXPLAIN THE APPROACH TO DISCUSSIONS BETWEEN OIL PRODUCERS AND CONSUMERS APPROVED BY THE COMMISSION THIS WEEK AND CIRCULATED TO MEMBER STATES. BY WAY OF
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INTRODUCTION, SOAMES EMPHASIZED THAT THE COMMISSION WAS

NOT REPEAT NOT ADOPTING DISCARD'S PLAN FOR A TRIPARTITE MINISTERIAL MEETING. BUT THEY FELT THAT THE IDEA OF TALKS BETWEEN PRODUCERS AND CONSUMERS COULD NOT BE PUT OFF ANY LONGER, AND THE TIME HAD ARRIVED FOR THE COMMISSION TO TRY TO PLAY A ROLE AS CATALYST IN FINDING A FORMULA WHICH WOULD BRIDGE THE DIFFERENCES BETWEEN THE ECG TWELVE AND THE FRENCH.

3. SOAMES DESCRIBED THE EVENTS LEADING UP TO THE COMMISSION DECISION AS FOLLOWS: IN THEIR RESPONSE TO THE BELGIAN REQUEST FOR AN OPINION ABOUT THE IEP (EC BRUSSELS 8397), THE COMMISSION SAID THEY WOULD BE PUTTING FORWARD A PROPOSAL ABOUT EC NEGOTIATED PARTICIPATION IN THE IEP. JUST AS THE COMMISSION WAS ABOUT TO APPROVE THIS DOCUMENT, THE FRENCH SUBMITTED THEIR OWN PAPER TO THE SUMMIT PREPARATORY GROUP MEETING IN BRUSSELS. THIS PAPER COVERED FRENCH VIEWS ON IEP, A COMMON ENERGY POLICY, AND A PRODUCER/CONSUMER MEETING. ON THE LATTER SUBJECT, THE FRENCH PROPOSED THAT THE NINE SUPPORT GISCARD'S RECENT INITIATIVE. SOAMES SAID THE SUBMISSION OF THE FRENCH PAPER MADE IT DIFFICULT FOR THE COMMISSION TO AVOID TAKING A POSITION ON THE PRODUCER/CONSUMER MEETING THE COMMISSION THEREFORE REVISED ITS PAPER TO INCLUDE NOT ONLY A FORMAL PROPOSAL FOR THE EC TO JOIN THE IEP, BUT ALSO A SUGGESTION AS TO HOW THE EC SHOULD HANDLE THE QUESTION OF CONTACTS BETWEEN PRODUCERS AND CONSUMERS. (SUBJECTS INCLUDED IN COMMISSION PAPER ON A COMMON ENERGY POLICY REPORTED SEPTEL.) THE PAPER WAS APPROVED BY THE COMMISSION AND SUBMITTED TO THE BRUSSELS AD HOC GROUP ON PREPARATIONS FOR THE SUMMIT.

4. AFTER REVIEWING THE HISTORY OF THE PRODUCER/CONSUMER MEETING IDEA GOING BACK TO THE WASHINGTON ENERGY CONFERENCE IN FEBRUARY, SOAMES OUTLINED THE COMMISSION PROPOSAL. FIRST, THE EC NINE WOULD ADOPT THEIR POSITION WITH RESPECT TO A PRODUCER/CONSUMER DIALOGUE. SECONDLY, THE EC NINE WOULD PUT THEIR PROPOSALS TO THE ECG TWELVE. FINALLY, CONTACTS WOULD BE MADE WITH THE LDC CONSUMING COUNTRIES AND WITH PRODUCERS, AND THE MODALITIES FOR BEGINNING A DIALOGUE WOULD BE WORKED OUT. DURING THE CONFIDENTIAL

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FIRST TWO STAGES OF CONSULTATIONS AMONG THE INDUSTRIALIZED CONSUMING COUNTRIES, THE COMMISSION HOPED THAT THE PRODUCERS AND THE LDC CONSUMING COUNTRIES WOULD ALSO INITIATE TALKS WITHIN THEIR RESPECTIVE GROUPS. BEFORE ANY FORMAL TRIPARTITE MEETING, THERE SHOULD BE FURTHER INFORMAL EXCHANGES. SOAMES STRESSED THAT THE COMMISSION PROPOSAL IS NOT TO HAVE JUST ONE MEETING OR TO GO STRAIGHT INTO A FORMAL PRODUCER/CONSUMER MEETING AT ANY

LEVEL. THE BASIC CONCEPT WAS FOR ALL INTERESTED PARTIES TO "FEEL THEIR WAY IN." FURTHERMORE, THE COMMISSION DID NOT HAVE IN MIND A ONE-TIME CONFERENCE, BUT "A CONTINUING DLALOGUE AT VARIOUS LEVELS." IN RESPONSE TO A QUESTION, SOAMES SAID THERE WAS NO MENTION OF A MINIST-
TERIAL MEETING IN THE COMMISSION PAPER. THE LANGUAGE REFERS TO "PREPARATIONS FOR THE BEGINNING OA A DIALOGUE," WHICH WOULD BE "A CONTINUING PROCESS" OF "SPOTTING THE PROBOEMS AND THEN TRYING TO FIND SOLUTIONS."

5. IN CONCLUSION, SOAMES SAID HE WANTED THE USG TO KNOW ABOUT THE COMMISSION PAPER BEFORE IT WAS DISCUSSED BY THE EC MINISTERS ON NOVEMBER 11 OR 12. IT IS NOT CLEAR WHETHER THE PAPER WILL BE TAKEN UP IN CONNECTION WITH SUMMIT PREPARATION OR IN CONNECTION WITH COMMUNITY PARTI-
CIPATION IN THE IEP. HE DID NOT ASK FOR A REACTION BUT EXPRESSED THE HOPE THAT WE WOULD SEE THIS PLAN AS A MORE SENSIBLE AND USEFUL APPROACH TO DISCUSSIONS BETWEEN PROD-
DUCERS AND CONSUMERS. HE NOTED THAT IT WAS OF COURSE IMPOSSIBLE TO PREDICT HOW THE MEMBER STATES WOULD DEAL WITH THE COMMISSION PROPOSALS.GREENWALD

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